

2019 DRAFTING REQUEST

Bill

For: **Administration-Budget** Drafter: **elunder**
 By: **Gilchrist** Secondary Drafters:
 Date: **2/11/2019** May Contact:

Same as LRB:

Submit via email: **YES**
 Requester's email:
 Carbon copy (CC) to: **doasbostatlanguage@wisconsin.gov**
erika.lunder@legis.wisconsin.gov
joseph.kreye@legis.wisconsin.gov
marc.shovers@legis.wisconsin.gov

Pre Topic:

DOA:.....Gilchrist, BB0318 -

Topic:

Changes to improve debt collection through lottery operations

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	elunder 2/15/2019	anienaja 2/15/2019			
/P1	elunder 2/19/2019	anienaja 2/19/2019	wjackson 2/15/2019		State
/P2	elunder 2/21/2019	kfollett 2/21/2019	lparisi 2/19/2019		State
/P3			dwalker		State

Vers. Drafted

Reviewed

Submitted
2/21/2019

Jacketed

Required

FE Sent For:

<END>

Lunder, Erika

From: Hanaman, Cathlene
Sent: Monday, February 11, 2019 9:04 AM
To: Kreye, Joseph; Shovers, Marc; Lunder, Erika
Subject: FW: Statutory Language Drafting Request - 2019-21
Attachments: Lottery Set-offs.docx

From: john.gilchcrist@wisconsin.gov <john.gilchcrist@wisconsin.gov>
Sent: Friday, February 08, 2019 5:31 PM
To: Hanaman, Cathlene <Cathlene.Hanaman@legis.wisconsin.gov>
Cc: Ziegler, Paul - DOA <Paul2.Ziegler@wisconsin.gov>; Gilchrist, John M - DOA <John.Gilchrist@wisconsin.gov>
Subject: Statutory Language Drafting Request - 2019-21

Biennial Budget: 2019-21

Topic: Lottery Operations

Tracking Code: BB0318

SBO Team: TLGED

SBO Analyst: Gilchrist, John
Phone: 608-266-7597
E-mail: john.gilchcrist@wisconsin.gov

Agency Acronym: 566

Agency Number: 566

Priority: Low

Intent:

Statutory changes to improve debt collection through lottery operations.

Attachments: True

Please send completed drafts to SBOSatlanguage@spsmail.enterprise.wistate.us

DRAFTING INSTRUCTIONS

1) Amend s. 71.93(1)(d) as follows:

"Refund" means any of the following:

1. The excess amount by which any payments, refundable credits, or both exceed a debtor's Wisconsin tax liability or any other liability owed to the department.
2. The amount owed to a debtor under s. 177.24 (3) for the return of abandoned property under s. 177.24 which exceeds a debtor's Wisconsin tax liability or any other liability owed to the department.
3. A lottery prize equal to or greater than \$600 which exceeds a debtor's Wisconsin tax liability or any other liability owed to the department.
4. Compensation or payments owed to a lottery retailer under Chapter 565, whether owed by statute, rule or contract, which exceeds a debtor's Wisconsin tax liability or any other liability owed to the department.

Amend s. 71.93(3)(a) as follows:

The department of revenue shall setoff any debt or other amount owed to the department, regardless of the origin of the debt or of the amount, its nature or its date. The department's setoff shall include the use of unclaimed property owed to the debtor under s. 177.24, any lottery prize equal to or greater than \$600, and any compensation or payments owed to a lottery retailer under Chapter 565, whether owed by statute, rule or by contract. If after the setoff there remains a refund in excess of \$10, the department shall set off the remaining refund against certified debts of other entities in the following order:

Create s. 565.10(17) as follows:

SETOFF AGAINST RETAILER COMPENSATION. The department shall setoff any debt or other amount owed to the department, regardless of the origin of the debt or of the amount, its nature or its date, against any compensation or payments owed to a lottery retailer under this chapter, whether owed by statute, rule or contract. If after setoff there remains further compensation or payments due, the department shall setoff the remaining amount against all certified debts owed by the lottery retailer under and in accordance with s. 71.93 and 71.935.

2) Amend s. 565.30(5) as follows:

The administrator shall report the name, address and social security number or federal income tax number of each winner of a lottery prize equal to or greater than \$600 and the name, address and social security number or federal income tax number of each person to whom a lottery prize equal to or greater than \$600 has been assigned to the department of revenue to determine whether the payee or assignee of the prize is delinquent in the payment of state taxes under ch. 71, 72, 76, 77, 78 or 139 or, if applicable, in the court-ordered payment of child support or has a debt owing to the state under s. 71.93 or 71.935. Upon receipt of a report under this subsection, the department of revenue shall first ascertain based on certifications by the department of children and

families or its designee under s. 49.855 (1) whether any person named in the report is currently delinquent in court-ordered payment of child support, delinquent in the payment of state taxes under ch. 71, 72, 76, 77, 78 or 139, or has a debt owing under s. 71.93 or 71.935 and shall next certify to the administrator whether any person named in the report is delinquent in court-ordered payment of child support, ~~or~~ payment of state taxes under ch. 71, 72, 76, 77, 78 or 139, or debts under s. 71.93 or 71.935. Upon this certification by the department of revenue or upon court order the administrator shall withhold the certified amount and send it to the department of revenue for remittance to the appropriate agency or person. The department of revenue shall charge the winner or assignee of the lottery prize for the department of revenue's administrative expenses ~~associated with withholding and remitting debt owed to a state agency~~ and may withhold the amount of the administrative expenses from the prize payment. The administrative expenses received or withheld by the department of revenue shall be credited to the appropriation under s. 20.566 (1) (h). In instances in which the payee or assignee of the prize is delinquent both in payments for state taxes and in court-ordered payments of child support, or is delinquent in one or both of these payments and has a debt owing ~~to the state~~ under s. 71.93 or 71.935, the amount remitted to the appropriate agency or person shall ~~be in proportion to the prize amount as is the delinquency or debt owed by the payee or assignee~~ shall be setoff in accordance with s. 71.93(3)(a).

3) Amend s. 565.12(1) as follows:

A lottery retailer contract entered into under s. 565.10 may be terminated or suspended for a specified period if the department finds that before or after the contract was entered into, the retailer has done any of the following:

EFFECTIVE DATE AND/OR INITIAL APPLICABILITY

The effective date six months after publication.



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-1933/2 JPI
EKL: am

DOA:.....Gilchrist, BB0318 - Changes to improve debt collection through lottery operations

FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION

SA
Xref
Pub

No gen.

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

GENERAL TAXATION

→ **Offsetting lottery payments for debt owed to state**

This bill modifies the program under which DOR is authorized to collect debt owed to state agencies by offsetting tax refunds and other state payments due the debtor. The bill provides that lottery prizes of at least \$600 and compensation or payments owed to lottery retailers are offsettable refunds for purposes of the debt collection program.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 SECTION 1. 71.93 (1) (d) 3. of the statutes is created to read:

3 ~~71.93 (1) (d) 3.~~ A lottery prize equal to ^{at} least \$600 that exceeds a debtor's

4 Wisconsin tax liability or other liability owed to the department.

1 **SECTION 2.** 71.93 (1) (d) 4. of the statutes is created to read:

2 ~~71.93 (1) (d) 4.~~ Compensation or payment owed to a lottery retailer under ch.
3 565, whether owed by statute, rule, or contract, that exceeds a debtor's Wisconsin tax
4 liability or liability owed to the department.

5 **SECTION 3.** 71.93 (3) (a) (intro.) of the statutes is amended to read:

6 ~~71.93 (3) (a)~~ (intro.) The department of revenue shall setoff any debt or other
7 amount owed to the department, regardless of the origin of the debt or of the amount,
8 its nature or its date. The department's setoff shall include the use of unclaimed
9 property owed to the debtor under s. 177.24, a lottery prize equal to at least \$600, and
10 compensation or payment owed to a lottery retailer under ch. 565, whether owed by
11 statute, rule, or contract. If after the setoff there remains a refund in excess of \$10,
12 the department shall set off the remaining refund against certified debts of other
13 entities in the following order:

History: 1987 a. 312; 1989 a. 31; 1993 a. 437; 1995 a. 27 ss. 3427 to 3429, 9126 (19), 9130 (4); 1995 a. 404; 1997 a. 3, 27; 2001 a. 16; 2003 a. 33; 2005 a. 25, 59, 254; 2007 a. 20 ss. 2141 to 2142, 9121 (6) (a); 2007 a. 97, 200; 2009 a. 28; 2013 a. 20, 308; 2015 a. 55, 355.

14 **SECTION 4.** 565.10 (17) of the statutes is created to read:

15 ~~565.10 (17)~~ SETOFF AGAINST RETAILER COMPENSATION. The department shall
16 setoff any debt or other amount owed to the department, regardless of the origin,
17 nature, or date of the debt or amount, against any compensation or payment owed
18 to a lottery retailer under this chapter, whether owed by statute, rule, or contract.
19 If, after the setoff, additional compensation or payment is due, the department shall
20 setoff the remaining amount against all certified debts owed by the lottery retailer
21 under ss. 71.93 and 71.935.

22 **SECTION 5.** 565.12 (1) (intro.) of the statutes is amended to read:

1 ~~565.12 (1)~~ (intro.) A lottery retailer contract entered into under s. 565.10 may
2 be terminated or suspended for a specified period if the department finds that the
3 retailer has done any of the following before or after the contract was entered into:

History: 1987 a. 119; 1991 a. 39, 269; 1995 a. 27; 1997 a. 27.

4 **SECTION 6.** 565.30 (5) of the statutes is amended to read:

5 ~~565.30 (5)~~ WITHHOLDING OF DELINQUENT STATE TAXES, CHILD SUPPORT OR DEBTS
6 OWED THE STATE. The administrator shall report the name, address and social security
7 number or federal income tax number of each winner of a lottery prize equal to or
8 greater than \$600 and the name, address and social security number or federal
9 income tax number of each person to whom a lottery prize equal to or greater than
10 \$600 has been assigned to the department of revenue to determine whether the
11 payee or assignee of the prize is delinquent in the payment of state taxes under ch.
12 71, 72, 76, 77, 78 or 139 or, if applicable, in the court-ordered payment of child
13 support or has a debt owing to the state under s. 71.93 or 71.935. Upon receipt of a
14 report under this subsection, the department of revenue shall first ascertain based
15 on certifications by the department of children and families or its designee under s.
16 49.855 (1) whether any person named in the report is currently delinquent in
17 court-ordered payment of child support and shall next certify to the administrator
18 whether any person named in the report is delinquent in court-ordered payment of
19 child support or payment of state taxes under ch. 71, 72, 76, 77, 78 or 139, or has a
20 debt under s. 71.93 or 71.935. Upon this certification by the department of revenue
21 or upon court order the administrator shall withhold the certified amount and send
22 it to the department of revenue for remittance to the appropriate agency or person.
23 The department of revenue shall charge the winner or assignee of the lottery prize
24 for the department of revenue's administrative expenses associated with

1 ~~withholding and remitting debt owed to a state agency and may withhold the amount~~
2 ~~of the administrative expenses from the prize payment. The administrative~~
3 ~~expenses received or withheld by the department of revenue shall be credited to the~~
4 ~~appropriation under s. 20.566 (1) (h). In instances in which the payee or assignee of~~
5 ~~the prize is delinquent both in payments for state taxes and in court-ordered~~
6 ~~payments of child support, or is delinquent in one or both of these payments and has~~
7 ~~a debt owing to the state under s. 71.93 or 71.935, the amount remitted to the~~
8 ~~appropriate agency or person shall be in proportion to the prize amount as is the~~
9 ~~delinquency or debt owed by the payee or assignee setoff under s. 71.93 (3) (a).~~

History: 1987 a. 119, 399; 1989 a. 31; 1989 a. 56 s. 259; 1989 a. 359; 1991 a. 269; 1993 a. 16, 481; 1995 a. 27 ss. 6981j, 6981k, 9126 (19); 1995 a. 225, 404; 1997 a. 3, 27, 35; 1997 a. 148 ss. 3 to 5; 1997 a. 191; 1999 a. 9, 185, 194; 2005 a. 387; 2005 a. 443 s. 265; 2007 a. 20; 2009 a. 402; 2011 a. 257; 2013 a. 20, 54; 2017 a. 17.

10 **SECTION 9437. Effective dates; Revenue.**

11 (1) STATE DEBT COLLECTION; LOTTERY PAYMENTS. The treatment of ss. 71.93 (1) (d)
12 3. and 4., 71.93 (3) (a) (intro), 565.10 (17), 565.12 (1) (intro.), and 565.30 (5) takes
13 effect on the first day of the seventh month beginning after publication.

14 *John*
(END)

Lunder, Erika

From: Gilchrist, John M - DOA
Sent: Monday, February 18, 2019 2:49 PM
To: Lunder, Erika
Subject: Lottery Offset
Attachments: 19-1933_P1.pdf

Good afternoon Erika,

After reviewing the first draft we are requesting a few changes.

LRB 1933/P1 Lottery Offset

- Page 3, Line 14, add the underlined phrase:

"Upon receipt of a report under this subsection, the department of revenue shall first ascertain based on certifications by the department of children and families or its designee under 49.855(1) whether any person named in the report is currently delinquent in court-ordered payment of child support, delinquent in the payment of state taxes under ch. 71, 72, 76, 77, 78, or 139, or has a debt owing under secs. 71.93 or 71.935 and shall certify to the administrator..."

Reason: Lines 2 - 13 are step 1 of the process, where the Lottery administrator provides DOR with lottery winner information for a match against delinquent debt. Lines 14 - 17 are step 2, where DOR matches lottery winners against debt certified for collection and tax debt (child support debt, tax debt, and debt owed to local governments). If the highlighted phrase above is not included, the statute seems to imply DOR will only check for child support debt certified for refund setoff.

- Page 3, lines 21 and 23 - change the words "administrative expenses" to "collection fee"

The sentence will read:

The department of revenue shall charge the winner or assignee of the lottery prize for the department of revenue's ~~administrative expenses~~ collection fee and may withhold the amount of the ~~administrative expenses~~ collection fee from the prize payment.

Respectfully,
John Gilchrist
Executive Policy & Budget Analyst
State Budget Office
Wisconsin Department of Administration
608-266-7597



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-1933/P1

EKL:amn

122

DOA:.....Gilchrist, BB0318 - Changes to improve debt collection through lottery operations

FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION

RF

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

GENERAL TAXATION

1. Offsetting lottery payments for debt owed to state

This bill modifies the program under which DOR is authorized to collect debt owed to state agencies by offsetting tax refunds and other state payments due to the debtor. The bill provides that lottery prizes of at least \$600 and compensation or payments owed to lottery retailers are offsettable refunds for purposes of the debt collection program.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 SECTION 1. 71.93 (1) (d) 3. of the statutes is created to read:

3 71.93 (1) (d) 3. A lottery prize equal to at least \$600 that exceeds a debtor's

4 Wisconsin tax liability or other liability owed to the department.

1 **SECTION 2.** 71.93 (1) (d) 4. of the statutes is created to read:

2 71.93 (1) (d) 4. Compensation or payment owed to a lottery retailer under ch.
3 565, whether owed by statute, rule, or contract, that exceeds a debtor's Wisconsin tax
4 liability or liability owed to the department.

5 **SECTION 3.** 71.93 (3) (a) (intro.) of the statutes is amended to read:

6 71.93 (3) (a) (intro.) The department of revenue shall setoff any debt or other
7 amount owed to the department, regardless of the origin of the debt or of the amount,
8 its nature or its date. The department's setoff shall include the use of unclaimed
9 property owed to the debtor under s. 177.24, a lottery prize equal to at least \$600, and
10 compensation or payment owed to a lottery retailer under ch. 565, whether owed by
11 statute, rule, or contract. If after the setoff there remains a refund in excess of \$10,
12 the department shall set off the remaining refund against certified debts of other
13 entities in the following order:

14 **SECTION 4.** 565.10 (17) of the statutes is created to read:

15 565.10 (17) SETOFF AGAINST RETAILER COMPENSATION. The department shall
16 setoff any debt or other amount owed to the department, regardless of the origin,
17 nature, or date of the debt or amount, against any compensation or payment owed
18 to a lottery retailer under this chapter, whether owed by statute, rule, or contract.
19 If, after the setoff, additional compensation or payment is due, the department shall
20 setoff the remaining amount against all certified debts owed by the lottery retailer
21 under ss. 71.93 and 71.935.

22 **SECTION 5.** 565.12 (1) (intro.) of the statutes is amended to read:

23 565.12 (1) (intro.) A lottery retailer contract entered into under s. 565.10 may
24 be terminated or suspended for a specified period if the department finds that the
25 retailer has done any of the following before or after the contract was entered into:

SECTION 6. 565.30 (5) of the statutes is amended to read:

565.30 (5) WITHHOLDING OF DELINQUENT STATE TAXES, CHILD SUPPORT OR DEBTS OWED THE STATE. The administrator shall report the name, address and social security number or federal income tax number of each winner of a lottery prize equal to or greater than \$600 and the name, address and social security number or federal income tax number of each person to whom a lottery prize equal to or greater than \$600 has been assigned to the department of revenue to determine whether the payee or assignee of the prize is delinquent in the payment of state taxes under ch. 71, 72, 76, 77, 78 or 139 or, if applicable, in the court-ordered payment of child support or has a debt owing to the state under s. 71.93 or 71.935. Upon receipt of a report under this subsection, the department of revenue shall ~~first ascertain based on certifications by the department of children and families or its designee under s. 49.855 (1) whether any person named in the report is currently delinquent in court-ordered payment of child support~~ and shall ~~next~~ ^{next} certify to the administrator whether any person named in the report is delinquent in court-ordered payment of child support ~~or~~ ^{or} payment of state taxes under ch. 71, 72, 76, 77, 78 or 139, or has a debt under s. 71.93 or 71.935. Upon this certification by the department of revenue or upon court order the administrator shall withhold the certified amount and send it to the department of revenue for remittance to the appropriate agency or person. The department of revenue shall charge the winner or assignee of the lottery prize ~~for the department of revenue's administrative expenses associated with withholding and remitting debt owed to a state agency~~ and may withhold the amount ^{a collection fee} of the ~~administrative expenses~~ ^{collection fee} from the prize payment. The ~~administrative expenses~~ ^{collection fee} received or withheld by the department of revenue shall be credited to the appropriation under s. 20.566 (1) (h). In instances in which the payee or assignee of

based on certifications by the department of children and families under s. 49.855 (1), is delinquent in the

1 the prize is delinquent both in payments for state taxes and in court-ordered
2 payments of child support, or is delinquent in one or both of these payments and has
3 a debt owing to the state under s. 71.93 or 71.935, the amount remitted to the
4 appropriate agency or person shall be ~~in proportion to the prize amount as is the~~
5 ~~delinquency or debt owed by the payee or assignee~~ setoff under s. 71.93 (3) (a).

6 **SECTION 9437. Effective dates; Revenue.**

7 (1) STATE DEBT COLLECTION; LOTTERY PAYMENTS. The treatment of ss. 71.93 (1) (d)
8 3. and 4., 71.93^{and} (3) (a) (intro), 565.10 (17), 565.12 (1) (intro.), and 565.30 (5) takes
9 effect on the first day of the 7th month beginning after publication.

10 (END)

Lunder, Erika

From: Gilchrist, John M - DOA
Sent: Monday, February 18, 2019 5:03 PM
To: Lunder, Erika
Subject: RE: Lottery Offset

Sounds good. I don't see DOR objecting to the change.

From: Lunder, Erika K - LEGIS <erika.lunder@legis.wisconsin.gov>
Sent: Monday, February 18, 2019 5:01 PM
To: Gilchrist, John M - DOA <John.Gilchrist@wisconsin.gov>
Subject: RE: Lottery Offset

Hi John,

I made one more change just to avoid repeating the two parts of the sentence:

Upon receipt of a report under this subsection, the department of revenue shall first ascertain, and then certify to the administrator, ~~based on certifications by the department of children and families or its designee under 49.855(1)~~ whether any person named in the report currently is delinquent in court-ordered payment of child support based on certifications by the department of children and families under s. 49.855(1), is delinquent in the payment of state taxes under ch. 71, 72, 76, 77, 78, or 139, or has a debt under s. 71.93 or 71.935 ~~and shall certify to the administrator...~~"

Please let me know if this doesn't work for you all.

Thanks!
Erika

From: Gilchrist, John M - DOA <John.Gilchrist@wisconsin.gov>
Sent: Monday, February 18, 2019 3:59 PM
To: Lunder, Erika <Erika.Lunder@legis.wisconsin.gov>
Subject: RE: Lottery Offset

I think your rewording works better.

From: Lunder, Erika K - LEGIS <erika.lunder@legis.wisconsin.gov>
Sent: Monday, February 18, 2019 3:19 PM
To: Gilchrist, John M - DOA <John.Gilchrist@wisconsin.gov>
Subject: RE: Lottery Offset

Hi John,

I'll make these changes right now. I think the first bullet needs to be reworded because it seems to read as if DOR is ascertaining the information about tax delinquency and 71.93/71.935 debt based on a certification by DCF. What do you think of the following?

"Upon receipt of a report under this subsection, the department of revenue shall first ascertain ~~based on certifications by the department of children and families or its designee under 49.855(1)~~ whether any person named in the report is currently delinquent in court-ordered payment of child support based on certifications by the department of children and families under s. 49.855(1), delinquent in the payment of state taxes under ch. 71, 72, 76, 77, 78, or 139, or has a debt under s. 71.93 or 71.935, and shall certify to the administrator..."

Thanks!
Erika

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Sent: Monday, February 18, 2019 2:49 PM
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Respectfully,
John Gilchrist
Executive Policy & Budget Analyst
State Budget Office
Wisconsin Department of Administration
608-266-7597



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-1933/P2
EKL:amn

P3

DOA:.....Gilchrist, BB0318 - Changes to improve debt collection through lottery operations

FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION

IN 2/21

D-NOTE

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

GENERAL TAXATION

1. Offsetting lottery payments for debt owed to state

This bill modifies the program under which DOR is authorized to collect debt owed to state agencies by offsetting tax refunds and other state payments due to the debtor. The bill provides that lottery prizes of at least \$600 and compensation or payments owed to lottery retailers are offsettable refunds for purposes of the debt collection program.

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3 565, whether owed by statute, rule, or contract, that exceeds a debtor's Wisconsin tax
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6 71.93 (3) (a) (intro.) The department of revenue shall setoff any debt or other
7 amount owed to the department, regardless of the origin of the debt or of the amount,
8 its nature or its date. The department's setoff shall include the use of unclaimed
9 property owed to the debtor under s. 177.24, a lottery prize equal to at least \$600, and
10 compensation or payment owed to a lottery retailer under ch. 565, whether owed by
11 statute, rule, or contract. If after the setoff there remains a refund in excess of \$10,
12 the department shall set off the remaining refund against certified debts of other
13 entities in the following order:

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15 **565.10 (17) SETOFF AGAINST RETAILER COMPENSATION.** The department shall
16 setoff any debt or other amount owed to the department, regardless of the origin,
17 nature, or date of the debt or amount, against any compensation or payment owed
18 to a lottery retailer under this chapter, whether owed by statute, rule, or contract.
19 If, after the setoff, additional compensation or payment is due, the department shall
20 setoff the remaining amount against all certified debts owed by the lottery retailer
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23 **565.12 (1) (intro.)** A lottery retailer contract entered into under s. 565.10 may
24 be terminated or suspended for a specified period if the department finds that the
25 retailer has done any of the following before or after the contract was entered into:

1 **SECTION 6.** 565.30 (5) of the statutes is amended to read:

2 **565.30 (5) WITHHOLDING OF DELINQUENT STATE TAXES, CHILD SUPPORT OR DEBTS**
3 **OWED THE STATE.** The administrator shall report the name, address and social security
4 number or federal income tax number of each winner of a lottery prize equal to or
5 greater than \$600 and the name, address and social security number or federal
6 income tax number of each person to whom a lottery prize equal to or greater than
7 \$600 has been assigned to the department of revenue to determine whether the
8 payee or assignee of the prize is delinquent in the payment of state taxes under ch.
9 71, 72, 76, 77, 78 or 139 or, if applicable, in the court-ordered payment of child
10 support or has a debt owing to the state under s. 71.93 or 71.935. Upon receipt of a
11 report under this subsection, the department of revenue shall first ascertain based
12 ~~on certifications by the department of children and families or its designee under s.~~
13 ~~49.855 (1) whether any person named in the report is currently delinquent in~~
14 ~~court-ordered payment of child support, and shall next certify to the administrator,~~
15 whether any person named in the report is delinquent in court-ordered payment of
16 child support or based on certifications by the department of children and families
17 under s. 49.855 (1), is delinquent in the payment of state taxes under ch. 71, 72, 76,
18 77, 78 or 139, or has a debt under s. 71.93 or 71.935. Upon this certification by the
19 department of revenue or upon court order the administrator shall withhold the
20 certified amount and send it to the department of revenue for remittance to the
21 appropriate agency or person. The department of revenue shall charge the winner
22 or assignee of the lottery prize ~~for the department of revenue's administrative~~
23 ~~expenses associated with withholding and remitting debt owed to a state agency a~~
24 collection fee and may withhold the amount of the administrative expenses collection
25 fee from the prize payment. The administrative expenses collection fee received or

1 withheld by the department of revenue shall be credited to the appropriation under
2 s. 20.566 (1) (h). In instances in which the payee or assignee of the prize is delinquent
3 both in payments for state taxes and in court-ordered payments of child support, or
4 is delinquent in one or both of these payments and has a debt owing to the state under
5 s. 71.93 or 71.935, the amount remitted to the appropriate agency or person shall be
6 in proportion to the prize amount as is the delinquency or debt owed by the payee or
7 assignee setoff under s. 71.93 (3) (a).

8 **SECTION 9437. Effective dates; Revenue.**

9 (1) STATE DEBT COLLECTION; LOTTERY PAYMENTS. The treatment of ss. 71.93 (1) (d)
10 3. and 4. and (3) (a) (intro), 565.10 (17), 565.12 (1) (intro.), and 565.30 (5) takes effect
11 on the first day of the 7th month beginning after publication.

12 (END)

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

3
LRB-1933/P2dn
EKL:amn



Date

1 John Gilchrist: ✓ ✓

2 This draft reconciles LRB-1932/P2 and LRB-1933/P2. Both of these drafts should
3 continue to appear in the compiled bill.

4
5
6
7

Erika Lunder
Legislative Attorney
(608) 504-5819
erika.lunder@legis.wisconsin.gov

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

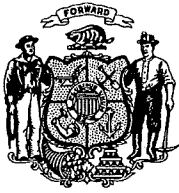
LRB-1933/P3dn
EKL:kjf

February 21, 2019

John Gilchrist:

This draft reconciles LRB-1932/P2 and LRB-1933/P2. Both of these drafts should continue to appear in the compiled bill.

Erika Lunder
Legislative Attorney
(608) 504-5819
erika.lunder@legis.wisconsin.gov



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-1933/P3
EKL:amn&kjf

DOA:.....Gilchrist, BB0318 - Changes to improve debt collection through
lottery operations

FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION

1 **AN ACT ...; relating to:** the budget.

Analysis by the Legislative Reference Bureau

TAXATION

GENERAL TAXATION

1. *Offsetting lottery payments for debt owed to state*

This bill modifies the program under which DOR is authorized to collect debt owed to state agencies by offsetting tax refunds and other state payments due to the debtor. The bill provides that lottery prizes of at least \$600 and compensation or payments owed to lottery retailers are offsettable refunds for purposes of the debt collection program.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 **SECTION 1.** 71.93 (1) (d) 3. of the statutes is created to read:

3 71.93 (1) (d) 3. A lottery prize equal to at least \$600 that exceeds a debtor's

4 Wisconsin tax liability or other liability owed to the department.

1 **SECTION 2.** 71.93 (1) (d) 4. of the statutes is created to read:

2 71.93 (1) (d) 4. Compensation or payment owed to a lottery retailer under ch.
3 565, whether owed by statute, rule, or contract, that exceeds a debtor's Wisconsin tax
4 liability or liability owed to the department.

5 **SECTION 3.** 565.10 (17) of the statutes is created to read:

6 **565.10 (17) SETOFF AGAINST RETAILER COMPENSATION.** The department shall
7 setoff any debt or other amount owed to the department, regardless of the origin,
8 nature, or date of the debt or amount, against any compensation or payment owed
9 to a lottery retailer under this chapter, whether owed by statute, rule, or contract.
10 If, after the setoff, additional compensation or payment is due, the department shall
11 setoff the remaining amount against all certified debts owed by the lottery retailer
12 under ss. 71.93 and 71.935.

13 **SECTION 4.** 565.12 (1) (intro.) of the statutes is amended to read:

14 565.12 (1) (intro.) A lottery retailer contract entered into under s. 565.10 may
15 be terminated or suspended for a specified period if the department finds that the
16 retailer has done any of the following before or after the contract was entered into:

17 **SECTION 5.** 565.30 (5) of the statutes is amended to read:

18 **565.30 (5) WITHHOLDING OF DELINQUENT STATE TAXES, CHILD SUPPORT OR DEBTS**
19 **OWED THE STATE.** The administrator shall report the name, address and social security
20 number or federal income tax number of each winner of a lottery prize equal to or
21 greater than \$600 and the name, address and social security number or federal
22 income tax number of each person to whom a lottery prize equal to or greater than
23 \$600 has been assigned to the department of revenue to determine whether the
24 payee or assignee of the prize is delinquent in the payment of state taxes under ch.
25 71, 72, 76, 77, 78 or 139 or, if applicable, in the court-ordered payment of child

1 support or has a debt owing to the state under s. 71.93 or 71.935. Upon receipt of a
2 report under this subsection, the department of revenue shall first ascertain based
3 on ~~certifications by the department of children and families or its designee under s.~~
4 ~~49.855 (1) whether any person named in the report is currently delinquent in~~
5 ~~court-ordered payment of child support, and shall next certify to the administrator,~~
6 ~~whether any person named in the report is delinquent in court-ordered payment of~~
7 ~~child support or~~ based on certifications by the department of children and families
8 under s. 49.855 (1), is delinquent in the payment of state taxes under ch. 71, 72, 76,
9 77, 78 or 139, or has a debt under s. 71.93 or 71.935. Upon this certification by the
10 department of revenue or upon court order the administrator shall withhold the
11 certified amount and send it to the department of revenue for remittance to the
12 appropriate agency or person. The department of revenue shall charge the winner
13 or assignee of the lottery prize ~~for the department of revenue's administrative~~
14 ~~expenses associated with withholding and remitting debt owed to a state agency a~~
15 collection fee and may withhold the amount of the administrative expenses collection
16 fee from the prize payment. The administrative expenses collection fee received or
17 withheld by the department of revenue shall be credited to the appropriation under
18 s. 20.566 (1) (h). In instances in which the payee or assignee of the prize is delinquent
19 both in payments for state taxes and in court-ordered payments of child support, or
20 is delinquent in one or both of these payments and has a debt owing to the state under
21 s. 71.93 or 71.935, the amount remitted to the appropriate agency or person shall be
22 ~~in proportion to the prize amount as is the delinquency or debt owed by the payee or~~
23 ~~assignee~~ setoff under s. 71.93 (3) (a).

24 **SECTION 9437. Effective dates; Revenue.**

